



JAMES A. NOYES, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

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IN REPLY PLEASE REFER TO FILE: **PJ-2**

June 5, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**HARBOR-UCLA MEDICAL CENTER
EMERGENCY POWER SYSTEM PROJECT
APPROVE CLOSEOUT AGREEMENT
APPROVE REVISED PROJECT BUDGET
SPECS. 5395-R1; C.P. 86230
SUPERVISORIAL DISTRICT 2
4 VOTES**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER THAT
YOUR BOARD:**

1. Approve and authorize the Director of Public Works to execute the Closeout Agreement (Enclosure B) to Contract PW-12173 with Perera, Inc., to resolve various outstanding issues on the Harbor-UCLA Medical Center Emergency Power System Project and to provide additional compensation related to such issues in the amount of \$272,219.18 to be funded through proceeds of previously issued Multiple Capital Facilities Project VI, Series A bond issue.
2. Approve an increase of \$268,984 in the final project budget to a revised total of \$8,576,340 (Enclosure A).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approving these actions will allow the Director of Public Works to proceed with closeout and acceptance of the construction contract for the Harbor-UCLA Emergency Power System Project.

The project included constructing a 6,535-square-foot structure to house four new 2,000-kilowatt emergency generators. In August 2002, the emergency power system became operational and the Department of Health Services took beneficial occupancy.

Several project issues regarding responsibility for additional time and work that was required to address a number of unforeseen complications remained unresolved between the County and Perera at the completion of construction. Following extensive discussions, the unresolved issues were reviewed by Public Works' Disputes Resolution Board (DRB), which is provided for in the project specifications to facilitate resolution of construction disputes. Based in part upon the DRB's findings, Public Works and the contractor have negotiated a Closeout Agreement that resolves the following issues:

- A change in the installation methodology of four generator mufflers due to the late delivery of owner-furnished equipment.
- Additional excavation and reinstallation of electrical conduits due to a trench collapse caused by heavy rains.
- Additional installation requirements for medium voltage cable that were not clearly delineated in the contract documents.
- A delay caused by an engine overheating problem partially due to a design deficiency. During this delay, the rental duration of temporary generators was extended.
- A lack of work productivity resulting from delays that unexpectedly pushed work activities into the holiday season.
- Additional installation of temporary wiring to provide back-up protection to the electrical system during the connection of the new emergency power system.

Under the Closeout Agreement, additional compensation to Perera in the amount of \$272,219.18 is recommended to finalize the resolution of these issues and allow the County to release the retention and formally accept the project.

Implementation of Strategic Plan Goals

This action is consistent with the Strategic Plan Goals of Fiscal Responsibility and Children and Families Well Being as this is an investment in public health infrastructure.

FISCAL IMPACT/FINANCING

The \$272,219.18 in additional compensation to Perera contained in the Closeout Agreement will require an increase in the construction change order allowance of \$268,984. Approval of this increase will increase the total project budget previously approved by your Board from \$8,307,355 to \$8,576,339. Funding for the increase in the project budget is available from proceeds of the Multiple Capital Facilities Project VI, 2000 Series A bonds that were issued to fund the project.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Section 20137 of the Public Contract Code allows your Board, with a four-fifths vote, to authorize a change to a construction contract that is less than 10 percent of the original contract amount without having to obtain bids for the work. This Closeout Agreement, with a value of \$272,219.18, is 9.95 percent of the original contract amount.

ENVIRONMENTAL DOCUMENTATION

On November 23, 1999, your Board approved a Mitigated Negative Declaration for the Harbor-UCLA Medical Center Emergency Power System Project.

CONTRACTING PROCESS

On May 16, 2000, your Board awarded a construction contract for the Harbor-UCLA Emergency Power System Project to Perera for \$2,850,700. Change orders have been approved in the cumulative amount of \$719,233.84. The recommended Closeout Agreement will increase the value of the construction contract from \$3,569,933.84 to \$3,842,153.02.

The execution of this Closeout Agreement will close all outstanding contractual items with Perera thereby allowing Public Works, under delegated authority, to formally accept the contract and release the final retention payment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approving this action will have no impact on current County services.

The Honorable Board of Supervisors
June 5, 2003
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CONCLUSION

Please return one adopted copy of this letter to the Chief Administrative Office (Capital Projects) and Public Works.

Respectfully submitted,

JAMES A. NOYES
Director of Public Works

DAVID E. JANSSEN
Chief Administrative Officer

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cc: County Counsel
Department of Health Services

June 5, 2003

ENCLOSURE A

**HARBOR-UCLA MEDICAL CENTER
EMERGENCY POWER SYSTEM PROJECT
APPROVE CLOSEOUT AGREEMENT
APPROVE REVISED PROJECT BUDGET
SPECS. 5395-R1; C.P. 86230**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Revised Completion Date	Date Completed
Construction Documents	04/08/99		04/08/99
Environmental Documents	04/23/99		04/28/99
Jurisdictional Approvals	11/01/99		11/01/99
Award of Construction	05/16/00		05/16/00
Construction Start	06/07/00		06/26/00
Acceptance of Project	10/29/02	06/19/03	

II. PROJECT BUDGET SUMMARY

Budget Category	Current Board Approved Budget	Impact of This Action	Revised Project Budget
Land Acquisition	\$ 0	\$ 0	\$ 0
Construction			
(a) Base Contract	\$ 2,850,700	\$ 0	\$ 2,850,700
(b) Change Order Allowance	\$ 722,470	\$ 268,984	\$ 991,454
Subtotal	\$ 3,573,170	\$ 268,984	\$ 3,842,154
Equipment:			
(a) Contract	\$ 2,401,304	\$ 0	\$ 2,401,304
(b) Change Order Allowance	\$ 61,500	\$ 0	\$ 61,500
Subtotal	\$ 2,462,804	\$ 0	\$ 2,462,804
Consultant Services			
(a) Construction Management	\$ 766,500	\$ 0	\$ 766,500
(b) Soils/Materials Testing	\$ 40,634	\$ 0	\$ 40,634
(c) OSHPD Inspection	\$ 115,500	\$ 0	\$ 115,500
(d) A/E Services	\$ 262,000	\$ 0	\$ 262,000
(e) Others	\$ 28,945	\$ 0	\$ 28,945
Subtotal	\$ 1,213,579	\$ 0	\$ 1,213,579
Permits and Fees	\$ 47,489	\$ 0	\$ 47,489
County Services	\$ 1,010,313	\$ 0	\$ 1,010,313
Miscellaneous Expenditures	\$ 0	\$ 0	\$ 0
TOTAL	\$ 8,307,355	\$ 268,984	\$ 8,576,339

June 5, 2003

ENCLOSURE B

**COUNTY OF LOS ANGELES
DEPARTMENT OF PUBLIC WORKS**

**PROJECT MANAGEMENT DIVISION I
900 South Fremont Avenue
Alhambra, CA 91803**

**CLOSEOUT AGREEMENT
CHANGE ORDER 43**

Perera Construction and Design, Inc.
2890 Inland Empire Boulevard, Suite 102
Ontario, California 91764

Harbor-UCLA Medical Center
Emergency Power System Project
Specs. 5395-r1; C.P. 86230

DEPARTMENT OF PUBLIC WORKS CHANGE ORDER 43 TO CONTRACT PW-12173

ITEM 1 – GENERATOR MUFFLER INSTALLATION

Description: Provide labor, material, and equipment to install four (4) generator mufflers through the use of rolling rigging, in lieu of using a crane, due to the resequencing of work required by the failure of the diesel engine generators during factory testing.

References: Perera Change Order Request 41 dated August 31, 2001

Cost of Item 1.....\$24,343.86
Time Impact of Item 1.....0 days

ITEM 2 – NORTH TRENCH DAMAGE

Description: Provide labor, material, and equipment to remove, repair, and reinstall underground electrical ductbank between manholes LS1 and S1 to the existing generator room, as required by the trench damage caused by heavy rains.

References: Perera Change Order Request 59.1 dated May 1, 2003
Public Works letter dated December 13, 2002 – Re: Perera Change Order Request 59
Perera Change Order Request 59 dated October 22, 2001

Cost of Item 2.....\$21,434.36
Time Impact of Item 2.....0 days

ITEM 3 – MEDIUM VOLTAGE CABLE INSTALLATION

Description: Provide labor, material, and equipment to complete the medium voltage cable installation including 9 additional cable splices, installation delay required to clarify requirements, and 45 hand-taped bus terminations to meet insulation requirements.

References: Perera Change Order Request 70 dated January 18, 2002

Cost of Item 3.....\$ 12,726.12
Time Impact of Item 3.....0 days

ITEM 4 – PROJECT DELAYS AND TEMPORARY GENERATOR RENTAL

Description: As a result of a generator overheating problem, delay to the completion of the system testing, lack of OSHPD approval for seismic bracing of electrical components, and lack of proper coordination with Southern California Edison required for electrical cutovers, the completion of the project was delayed by 105 calendar days.

References: Perera Change Order Request 99.1 dated May 1, 2003
Public Works letter dated October 24, 2002 – Re: Perera Change Order Request 99
Perera Change Order Request 99 dated August 26, 2002

Cost of Item 4..... \$ 177,905.64
Time Impact of Item 4.....105 days

ITEM 5 – LACK OF PRODUCTIVITY

Description: As a result of previous owner-caused project delays and the deletion of Note D1 on Sheet E-14, the installation of the temporary generators occurred during the holiday season. This resulted in a lack of productivity by the contractor for this work and extended the rental of the temporary generators.

References: Perera Change Order Request 100.1 dated May 1, 2003
Public Works letter dated August 27, 2002 – Re: Perera COR 100
Perera Change Order Request 100 dated August 26, 2002
Public Works letter dated December 6, 2001 – Re: Generator Scheduling

Cost of Item 5.....\$ 31,972.50
Time Impact of Item 5.....0 days

ITEM 6 – AUTOMATIC TRANSFER SWITCH TEMPORARY WIRING

Description: Provide labor, material, and equipment to supply 480-volt temporary power, from a source in the room as coordinated with the County, to test automatic transfer switches 1, 2, and 3, located in the existing generator room.

References: Perera Change Order Request 103.1 dated April 29, 2003
Public Works letter dated September 26, 2003 – Re: Perera Change Order Request 103
Perera Change Order Request 103 dated September 5, 2002
Public Works Proceed Order 38 dated August 12, 2002

Cost of Item 6.....\$3,836.70
Time Impact of Item 6.....0 days

Total Cost of Closeout Agreement.....\$ 272,219.18
Total Time Impact of Closeout Agreement.....105 Days

Change to Contract Time:	
Original Time of Completion	450 Calendar Days
Change Orders Previously Executed	261 Calendar Days
Time Added by this Closeout Agreement	105 Calendar Days
Current Time of Completion	816 Calendar Days
Current Contract Completion Date	September 19, 2002

Change to Contract Amount:	
Original Amount of Contract	\$2,850,700.00
Change Orders Previously Executed	\$719,233.84
Amount Added by this Closeout Agreement	\$272,219.18
Current Contract Amount	\$3,842,153.02

This Closeout Agreement constitutes full and mutual accord and satisfaction for all claims and costs asserted by Perera Construction and Design, Inc., in connection with, arising out of, or relating to the Contract, the Project, and this Closeout Agreement, including without limitation, all claims, rights, demands, suits, controversies, accounts, promises, damages, losses, injuries, actions, causes of action, debts, costs or liabilities, whether known or unknown, including without limitation, claims for additional compensation for extra work, changes or differing site conditions, defective plans and specifications, delay, disruption, impact costs, and home and field office overhead (collectively the "Claims"). By acceptance of this Closeout Agreement, Perera Construction and Design, Inc., agrees that the Closeout Agreement represents an equitable adjustment to the Contract, and it releases and discharges the County of Los Angeles from all claims, demands, damages, liabilities, accounts, costs, attorneys' fees, expenses, and causes of action of every kind and nature whatsoever, whether known or unknown, which Perera Construction and Design, Inc., now has or has ever previously had against the County of Los Angeles, including, but not limited to, those pertaining to, involving, or arising out of the Claims, Contract, Project, or this Closeout Agreement (including, without limitation, Items 1-6 above).

Recommended for Execution By:	Executed By:
<div><div></div><div>JAMES A. NOYES</div><div>Director of Public Works</div></div>	<div><div></div><div>HANK PERERA, JR.</div><div>President</div></div> <div><div></div><div>Executed</div></div>